

**BEFORE THE
STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

**IN: REVIEW OF NATIONAL GRID'S)
ANNUAL ENERGY EFFICIENCY PLAN)
FOR 2022)**

DOCKET NO. 5189

**TESTIMONY
OF
SAMUEL C. ROSS**

**SUBMITTED ON BEHALF OF
THE RHODE ISLAND
ENERGY EFFICIENCY AND RESOURCE MANAGEMENT COUNCIL**

NOVEMBER 17, 2021

1 **I. INTRODUCTION & SUMMARY**

2 **Q. Please state your name and business address.**

3 A. I am Samuel Ross. My business address is: Optimal Energy, 460 Harris Avenue
4 Unit 101, Providence, RI, 02909.

5 **Q. On whose behalf are you testifying?**

6 A. I am testifying on behalf of the Rhode Island Energy Efficiency and Resource
7 Management Council (EERMC).

8 **Q: Please summarize your work with the EERMC relevant to your role**
9 **providing testimony in this docket.**

10 A: I am a Senior Consultant at Optimal Energy, the prime contractor for the
11 EERMC's Consultant Team. I have been among the lead consultants on the
12 Consultant Team for the past four years, and I have represented the EERMC in
13 past dockets related to energy efficiency plans. I have worked in close
14 collaboration with the EERMC throughout the 2022 Annual Energy Efficiency
15 Plan (EE Plan) development process. I was also the lead author for the *Summary*
16 *Report of the Energy Efficiency and Resource Management Council Vote on*
17 *National Grid's 2022 Energy Efficiency Plan*¹.

18

19 **Q: What is the purpose of your Testimony in this proceeding?**

20 A: The purpose of my testimony is to describe any updates to the EERMC's views
21 on the EE Plan that have been informed by the discovery process to date in
22 Docket 5189. Though the EERMC voted initially not to endorse the 2022 EE Plan
23 that was filed on October 1, 2021 (hereafter referred to as "the initial 2022 EE
24 Plan"), my testimony generally applies to the provisional version of the 2022 EE
25 Plan filed on October 8, 2021 (hereafter referred to as "the provisional 2022 EE
26 Plan"), unless otherwise indicated.

¹ The Summary Report can be found here:
<http://www.ripuc.ri.gov/eventsactions/docket/EERMC%202022%20EE%20Plan%20Vote%20%20Summary%20of%20Reasons%20%2010.15.2021.pdf>

1 **Q: Please summarize the updates to the EERMC's views on the 2022 Annual**
2 **Energy Efficiency Plan (EE Plan) that have been informed by the discovery**
3 **process to date in Docket 5189.**

4 A: The EERMC's central concerns related to the 2022 EE Plan have not been
5 resolved to date. Though some new information, including the reallocation of
6 spending from the RI Grows CHP project, aligns with EERMC plan priorities,
7 several areas of concern are outstanding. In particular, the EERMC is still
8 concerned that all opportunities to achieve cost-effective savings as identified in
9 the Targets and the High Scenario for 2022 in the 3-Year Plan were not given due
10 consideration. Further, the Council still views much of the 2022 EE Plan content
11 related to poor performance in Income-Eligible and Multifamily programs and
12 commitments related to equity in energy efficiency as unsatisfactory. In addition,
13 though the EERMC reserves its judgement regarding several implementation
14 areas slated for further development in the course of the 2022 program year, it is
15 generally not satisfied with National Grid's reliance on this type of commitment
16 to build out key elements of the 2022 EE Plan during the year in which that same
17 plan is intended to be implemented. In summary, the EERMC continues to have
18 concerns regarding the 2022 EE Plan and welcomes further engagement on these
19 and other topics during the forthcoming proceedings in this docket.

20

21 **Q: To what degree were National Grid's responses to the data requests issued by**
22 **the EERMC impactful for the EERMC's view of the underlying concerns**
23 **raised in the EERMC's reasoning which underpinned the vote to not endorse**
24 **the 2022 Annual Energy Efficiency Plan?**

25 A: The responses from National Grid were impactful to varying degrees. Some
26 responses alleviated some concerns with the 2022 EE Plan issued by National
27 Grid; some responses resulted in commitments to work with the EERMC and
28 other Rhode Island efficiency stakeholders to develop improvements to planning
29 and implementation processes in 2022; and some responses did not resolve the
30 underlying concerns related to the subject(s) of the data request(s) in question. A
31 final note here is that the testimony below relates to the data requests and

1 responses issued to date. The EERMC may issue further discovery, including
2 clarifications or further questions on some areas of the data requests to date, in the
3 course of this docket.
4

5 **II. AREAS WHERE SOME CONCERNS WERE ALLEVIATED**

6

7 **Q: Can you please provide more detail regarding the areas of concern for which**
8 **National Grid’s responses alleviated concerns regarding the 2022 Annual**
9 **Energy Efficiency Plan?**

10 **A:** There are several EE Plan areas where the discovery process alleviated concerns,
11 including the removal of the RI Grows CHP project; reallocations of the spending
12 from that project to program areas that have been flagged as priorities by the
13 EERMC and other stakeholders; improved clarity regarding plans to research
14 alternative virtual assessment models; some concerns related to rate and bill
15 impact modeling; and some elements of the equity-focused planned activity.
16

17 **Q: Can you please provide more detail regarding the removal of the RI Grows**
18 **CHP Project?**

19 **A:** The removal of the RI Grows CHP Project as part of the issuance of the
20 provisional EE Plan removed EERMC concerns raised regarding the specifics of
21 that project from consideration in this docket.
22

23 **Q: Can you please provide more detail regarding the reallocation of funds from**
24 **the RI Grows CHP project?**

25 **A:** The manner in which the funds which were initially allocated to that CHP project
26 have been reallocated supports some areas that were previously flagged as
27 EERMC recommendations for further support. For example, in National Grid’s
28 response to DPUC 2-10, National Grid cites that ‘in its Memo providing
29 comments on the 2022 Plan, the EERMC’s Consultant Team recommended the
30 Company consider HVAC “custom retrofit projects and/or early replacement
31 measures”’. The EERMC is supportive of National Grid’s proposal to increase

1 investment in HVAC Accelerated Retirements and the other measures listed in
2 their response to DPUC 2-10. The EERMC is also glad to see that this
3 reallocation is anticipated to support projects for a large number of participants in
4 place of a single CHP project.

5

6 **Q: Can you please provide more detail regarding the plans to research**
7 **alternative virtual assessment models?**

8 A: National Grid's response to EERMC 1-17 provided clarity on their planned
9 activities related to research on alternative virtual models, including the issuance
10 of an RFI in January 2022 to better understand the cost implications of virtual
11 assessment software and any potential increase in savings or participation that
12 could be expected. National Grid's response to this line of questioning alleviates
13 the primary concerns around alternative virtual assessment models as stated in the
14 EERMC's summary report on its decision to not endorse the 2022 EE Plan.

15

16 **Q: Can you please provide more detail regarding the alleviation of some**
17 **concerns related to rate and bill impact modeling?**

18 A: The response to EERMC 1-18 a.i., in tandem with updates to the underlying rate
19 and bill impact models between the initial EE Plan and the provisional EE Plan,
20 provide helpful illustration of the relative magnitude of the rate and bill impacts
21 of the Fully Reconciling Mechanism and the rate and bill impacts of collections to
22 fund 2022 efficiency activities². Further, the response to EERMC 1-18 b.iv.
23 adequately clarified the inquiry regarding gas commodity costs. Similarly, the
24 response to EERMC 1-18 c.v. adequately addressed the lack of clarity regarding
25 the calculation of the EnergyWise Single Family program measure life used in the
26 electric rate and bill impact model.

27

28 **Q: Can you please provide more detail regarding the alleviation of some**
29 **concerns related to equity-focused activities?**

² Note that the organization of this response was at times unclear and may be subject to further clarifying discovery, but as currently understood the substantive response was helpful.

1 A: The response to EERMC 1-26 g. adequately addresses the request for clarity on
2 the proposed reporting cadence for equity work group commitments, though the
3 EERMC remains concerned that this cadence is too infrequent to enable effective
4 tracking of these commitments in 2022, or iteration to inform the 2023 EE Plan
5 development process. Specifically, the EERMC is concerned that:

- 6 i. there are only two scheduled updates covering the first year of
7 implementation for these fourteen new equity commitments
- 8 ii. the Q2 reports are typically received sometime during Q3, when much of
9 the planning process for the 2023 EE Plan will have already elapsed, and
10 which may make it challenging to develop data-driven improvements to
11 the planned equity-focused activities slated for the 2023 program year,
12 and
- 13 iii. the Q4 reports are typically only received several months into the
14 following program year, such that the proposed cadence of reporting
15 amounts to a single update on 2022 equity commitments that will
16 actually be made available in 2022, despite the fact that these
17 commitments are being pursued for the first time, and that detailed
18 implementation strategies and activities are slated to be developed in
19 early 2022, which has precluded review of these detailed strategies to
20 date.

21
22 **III. AREAS WHERE FURTHER WORK IS SCHEDULED FOR 2022**

23
24 **Q: Can you please provide more detail regarding the areas of concern for which**
25 **National Grid's responses resulted in commitments to develop planning**
26 **and/or implementation improvements in 2022?**

27 **A:** There are several EE Plan areas where the discovery process resulted in
28 commitments to develop improved planning or implementation processes during
29 the 2022 program year, including the implementation model for the income-
30 eligible single family program CAP agency third party support; quantification of

1 delivered fuels bill impacts from efficiency programs; and some elements of
2 equity-related commitments.

3

4 **Q: Can you please provide more detail regarding the implementation model for**
5 **the Income-Eligible Single Family program CAP agency third party**
6 **support?**

7 A: National Grid's response to EERMC 1-22 indicates that significant work lies
8 ahead in the improvements to the implementation model for the Income-Eligible
9 Single Family program. As part of its 2021 EE Plan, National Grid began
10 providing the Community Action Program (CAP) Agencies with access to a third-
11 party weatherization vendor to expand the CAP's capacity to complete
12 weatherization jobs and improve equity across the CAP territories. In National
13 Grid's 2022 EE Plan, they indicate that the third-party support system will serve
14 as a resource for CAP Agencies that fall below performance thresholds. National
15 Grid has represented that these thresholds are still being determined via ongoing
16 conversations with the CAP Agencies and are set to be determined in the first
17 quarter of 2022. Once in place, however, National Grid has stated that the
18 performance thresholds will not be used to enforce the use of the third-party
19 support system. It is therefore unclear how the to-be-determined performance
20 metrics will lead to meaningful improvement in program performance amongst
21 the CAP Agencies and for the program, an area in which the EERMC plans to
22 engage and for which judgement is reserved regarding the adequacy of these to-
23 be-developed processes. Furthermore, National Grid's response to EERMC 1-22
24 indicates that the use of the third-party support system is just one element of the
25 opportunities that they have identified in recent conversations with the CAP
26 Agencies to improve the program implementation model. However, National Grid
27 has not expanded on what other opportunities have been identified or what the
28 associated plan and timeline is for those opportunities.

29

30 **Q: Can you please provide more detail regarding the quantification of delivered**
31 **fuel bill impacts?**

1 A: The response to EERMC 1-18 c.vi. aligns with the EERMC’s understanding of
2 agreed-upon next steps regarding the quantification of delivered fuel bill impacts
3 associated energy efficiency programs in Rhode Island.
4

5 **Q: Can you please provide more detail regarding the planning work scheduled**
6 **for 2022 that covers some elements of National Grid’s equity-related**
7 **commitments?**

8 A: The response to EERMC 1-26, in many instances, indicate that planned equity
9 activities in 2022 need to be undertaken to develop the substantive content which
10 was solicited by this data request. Several elements of this data request fitting this
11 description are listed below.

- 12 i. The adequacy of the response to EERMC 1-26 a. will be determined at the
13 time that detailed implementation strategies and activities are developed and
14 disseminated in early 2022. Note however that the EERMC expects full
15 implementation strategies regarding equity will be available for stakeholder
16 assessment and feedback during future efficiency planning processes.
- 17 ii. The adequacy of the response to EERMC 1-26 d. will be determined upon
18 review of the final deliverables from the Participation and Multifamily
19 (“MF”) Census studies, as well as the Nonparticipant Market Barriers Study,
20 in early 2022.
- 21 iii. The adequacy of the response to EERMC 1-26 e. will be determined upon
22 review of the final deliverables from the Participation and Multifamily
23 (“MF”) Census studies, as well as the Nonparticipant Market Barriers Study,
24 in early 2022, as well as through the EERMC’s participation in the
25 stakeholder engagement process described in the response.
- 26 iv. The response to EERMC 1-26 i. indicates that the detailed timeline for
27 equity working group member engagement will be developed “after the
28 regulatory process for the 2022 Annual EE Plan is completed”, though it is
29 not clear to the EERMC why these proceedings should delay National Grid’s
30 development of this timeline.

31

1 **IV. AREAS WHERE CONCERNS REMAIN UNRESOLVED**

2
3 **Q: Can you please provide more detail regarding areas of concern for which**
4 **National Grid's responses did not materially impact the EERMC's view?**

5 **A:** There are several EE Plan areas where the discovery process did not materially
6 impact the EERMC's assessment of concerns raised regarding the 2022 EE Plan,
7 including the inadequacy of the assessment of all cost-effective savings that could
8 have been pursued absent the decision to plan under a constrained budget;
9 whether the 2022 EE Plan positions National Grid to overcome their recent poor
10 performance in the income-eligible and multifamily sectors; some elements of
11 equity-related commitments; and the planning process itself.

12
13 **Q: Can you please provide more detail regarding the outstanding concern that**
14 **all cost-effective savings were not adequately assessed due to the decision to**
15 **plan under a constrained budget?**

16 **A:** To begin, National Grid's responses to EERMC 1-1 and 1-2 took the form of
17 copies of BCR Models and associated Gas and Electric tables updated based on a
18 set of simplifying assumptions put forward in the text of those responses. Though
19 simplified, these analyses represent National Grid's confirmation that more
20 energy savings are available at similar acquisition costs as those presented in the
21 provisional EE Plan. It concerns the EERMC that further savings were available
22 to be considered for inclusion in the EE Plan, as noted in the EERMC's summary
23 report on its decision to not endorse the 2022 EE Plan, and yet no analysis was
24 shared by National Grid regarding these savings opportunities during the planning
25 process. Both the simplicity of these responses and fact that these savings
26 opportunities were not brought forward by National Grid during the planning
27 process reinforce the originally raised concern regarding the adequacy of
28 consideration given to these savings opportunities. These concerns remain
29 grounded in Least Cost Procurement, which requires the pursuit of all energy
30 efficiency measures that are cost-effective and lower than the cost of supply as set
31 forth in R.I. Gen. Laws § 39-1-27.7.

1 Further, process concerns related to transparency were buttressed by National
2 Grid’s response to OER 1-2, which reads in part “...the Company did not treat a
3 5% budget increase as a fixed cap on budget increase. The Company did,
4 however, evaluate any potential increase above this level...”. This clearly
5 represents that such savings opportunities were evaluated internally. The EERMC
6 remains concerned about the lack of transparency regarding this evaluation
7 process, especially in light of the concerted effort of the EERMC and other
8 stakeholders to better understand this evaluation during the planning process.
9

10 **Q: Can you please provide more detail regarding recent poor performance in**
11 **the income-eligible and multifamily sectors?**

12 A: The EERMC remains concerned that National Grid’s 2022 EE Plan will not
13 overcome the historical pattern of underachievement in income-eligible and
14 multifamily programs. The response to EERMC 1-25 indicates that the plan for
15 these sectors in 2022 was developed in much the same manner as other programs
16 which are not subject to the same concerns regarding historical
17 underachievement. Though some incremental activities are described at a high
18 level, and several data sets and/or analyses are named, none of the actual data or
19 analyses were shared, and no research or detailed plans were shared which
20 support the ability of the proposed plans to rectify the recent underperformance in
21 these sectors. Of course, the EERMC would be pleased to see such a rectification;
22 the response simply lacks sufficient supporting data, quantitative analyses,
23 research, and/or detailed plans to drive change to alleviate the originally stated
24 concern.
25

26 **Q: Can you please provide more detail regarding unresolved concerns related to**
27 **some elements of the 2022 EE Plan’s equity-related commitments?**

28 A: There are several areas where the EERMC has outstanding concerns regarding
29 equity, the focus of EERMC 1-26:
30 i. The response to EERMC 1-26 b. indicates that equity is a core component of
31 the 2022 EE Plan. The EERMC certainly appreciates this characterization

1 and is aligned on the centrality of equity as an area of importance for
2 efficiency programs in Rhode Island. However, as 2022 is the first year that
3 many of the equity-specific commitments included in the EE Plan are being
4 made, it is concerning to see that there is not more detail available regarding
5 specific budget allocations to support this core plan component. Considering
6 that the first two of National Grid’s listed equity-specific investments,
7 “\$26,122,000 for its Electric and Gas Income-Eligible Residential
8 Programs” and “targeting \$430,000 across its Residential and Income-
9 Eligible Program marketing budgets to encourage [equitable] program
10 participation” are in large part continuations of existing program activity, the
11 response to this request amounts to approximately \$158,750 in specific
12 budget allocations associated with incremental equity commitments in the
13 2022 EE Plan. This is equivalent to approximately 0.1% of the roughly
14 \$152MM budget allocated to incremental equity-specific program activity.
15 This allocation level does not appear consistent with the representation that
16 equity is a core plan component.

- 17 v. It is potentially concerning that National Grid is unable to point to any
18 quantification of staff time specifically allocated to equity in their response
19 to EERMC 1-26 c. This lack of clarity is particularly concerning in light of
20 the response to EERMC 1-26 a, which indicates that National Grid plans to
21 develop detailed, equity-focused implementation strategies and activities in
22 early 2022.
- 23 vi. The response to EERMC 1-26 f. does not meet the intent of the data request
24 and leaves the EERMC concerned that these equity commitments may not
25 be sufficiently well defined to enable full determinations regarding whether
26 they have been fulfilled. Though there are some instances in Table 7 of the
27 2022 EE Plan that do provide definitions for success or failure, many others
28 simply provide a quantity that could be tracked without specifying a
29 threshold level for that quantity which would define success. For example,
30 commitment 1 reads “Develop multilingual marketing and outreach
31 materials. Use accessible language to target audiences in each publication”.

1 The determination of success reads “A comparison of baseline data against
2 post campaign data”. This definition for the determination of success lacks
3 sufficient specificity to actually determine whether National Grid has
4 fulfilled this commitment. It would be necessary to specify *what the results*
5 *of that comparison should be* in order to establish that the commitment has
6 been fulfilled. In a similar light, there are many determinations of success
7 which simply state “the number of” some quantity, without specifying *how*
8 *much* of that number should be considered fulfillment of the associated
9 commitment.

- 10 vii. The response to EERMC 1-26 h. is generally not responsive to the request
11 for a timeline for opportunities for feedback on the 2022 equity
12 commitments from energy efficiency stakeholders. The response points to a
13 document dated January 14, 2020 regarding planned updates regarding
14 equity working group recommendations during the course of 2021. While
15 this process was in place for the 2021 equity working group, which did
16 develop recommendations for the 2022 EE Plan, those recommendations
17 have now been incorporated into the 2022 EE Plan. If approved, those
18 commitments from National Grid will fall squarely within the
19 implementation oversight responsibilities of the EERMC. The EERMC
20 notes here that it may be deemed necessary and appropriate to engage with
21 these commitments more deeply and more frequently than was represented
22 by this response to discharge this implementation oversight responsibility.

23
24 **Q: Can you please provide more detail regarding unresolved concerns about the**
25 **planning process itself?**

26 A: Lastly, the EERMC’s stated concerns regarding the planning process itself remain
27 significant and outstanding, and the EERMC intends to set expectations for
28 significant improvements in this regard as part of the establishment of planning
29 processes and timelines for the development of the 2023 Annual EE Plan, which
30 will take place in 2022.

31

1 **Q: Please summarize the testimony you have provided.**

2 A: The EERMC found National Grid's responses to their information requests
3 helpful in some instances and less so in others. However, the reliance on
4 commitments to develop further 2022 EE Plan implementation details during the
5 2022 program year itself, coupled with unresolved concerns regarding the
6 consideration of all cost-effective savings, Income-Eligible and Multifamily
7 programs' historical poor performance, and equity-related commitments,
8 collectively constitute continued concerns regarding the 2022 EE Plan. The
9 EERMC welcomes further engagement on these and other topics during the
10 forthcoming proceedings in this docket.

11

12 **Q: Does this conclude your testimony?**

13 A: It does.